



# Local Government Commission

Mana Kāwanatanga ā Rohe

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## Report of the proceedings and operations of the Local Government Commission

Te pūrongo mō ngā whakahaere me ngā mahi a te  
Mana Kāwanatanga ā-Rohe

For the year ended 30 June 2024  
Mō te tau i mutu i te 30 Hune 2024

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*Presented to the House of Representatives pursuant to  
clause 31 of Schedule 4 of the Local Government Act 2002.*

*He mea whakatakoto atu ki Te Whare o Ngā Māngai i raro i te  
whiti 31 o te Hōtaka 4 o Te Ture Kāwanatanga ā-Rohe 2002.*

Minister of Local Government  
Parliament Buildings  
Wellington

Tēnā koe Minister

We forward, in accordance with clause 31 of Schedule 4 of the Local Government Act 2002, the report of the Local Government Commission for the year ending 30 June 2024.

Nāku noa, nā

**The Local Government Commission**

Brendan Duffy	Chairperson
Bonita Bigham	Commissioner
Sue Bidrose	Commissioner

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## Introduction

### Kōrero whakataki

The Local Government Commission (the Commission) is an independent statutory body established under the Local Government Act 2002. The principal functions of the Commission are:

- Promoting good local government in New Zealand through promoting good practice in local government and providing information about local government;
- Reorganisation of local authorities; and
- Reviewing and making any required decisions on the electoral representation arrangements of local authorities.<sup>1</sup>

In the year ending 30 June 2024, the Commission has been actively involved in each of the above three principal functions. Issues dealt with are discussed further below.

## Membership

### Ngā mema

Throughout the year the Commission has been comprised of:

- Brendan Duffy (Chairperson)
- Bonita Bigham
- Dr Sue Bidrose

## Promoting good local government

### Te hāpai i ngā kāwanatanga mahi pai

#### Governance Education Strategy

In June 2023 the Commission provided a report to the then Minister of Local Government outlining a holistic governance education strategy, including an overarching capability framework and three supporting pillars: public accountability, good practice budget guidance, and accreditation. At its meeting in June the Commission decided to conclude its work on the governance education strategy.

The Commission has explored options for progressing the governance education strategy while being mindful of the Commission's stewardship role and focussing on how the Commission might work with other sector stakeholders to ensure a

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<sup>1</sup> A complete list of the Commission's functions is contained in Appendix 1.

collective and cohesive approach to governance education that avoids duplication.

Given the current fiscal environment and the need for efficient resource use, the Commission's ability to advance key areas such as public accountability, funding, and accreditation is limited. The immediate focus should be on fulfilling our statutory role in local authority representation reviews. However, the Commission remains open to revisiting the strategy in future should changes in context warrant it. This was communicated to the Minister of Local Government following the Commission's decision to cease work on the governance education strategy.

## Local government reorganisation Te whakaraupapa anō i ngā kaunihera

### Greater Bunnythorpe Community Board

In December 2021 the Commission received an appeal against the decision of Palmerston North City Council not to establish a Bunnythorpe Community Board. The Commission met with relevant parties in December 2022, and April-May 2023, to better understand the challenges facing the Bunnythorpe community and its relationship with Palmerston North City Council.

The Commission released its determination on 20 July 2023. While the Commission did not uphold the appeal to establish a community board, the Commission made recommendations to Palmerston North City Council under section 30(2) of the Local Government Act 2002, which empowers the Commission to provide information about local government and to promote good practice relating to a local authority or to local government generally.

The Commission recommended:

- That the Council liaise with the Bunnythorpe community, Ngāti Kauwhata and Rangitāne o Manawatū to establish a formal Bunnythorpe Community Committee
- That the Council undertake a village master-planning exercise with the Bunnythorpe community
- That the Council encourage KiwiRail, Waka Kotahi and NZ Post to liaise with the Bunnythorpe community to address the specific issues of the community relating to each organisation

In May 2024 the Commission requested an update from Palmerston North City Council to understand the actions undertaken by the Council in relation to the Commission's recommendations. These will be considered by the Commission in July 2024.

## Kawerau District/Whakatane District boundary alterations

In June 2022 the Commission agreed to investigate a reorganisation initiative, proposing the transfer of three areas from Whakatane District to Kawerau District. The investigation process was publicly notified in October 2022. It included public consultation from 28 October 2022 to 31 March 2023 as well as site visits and meetings with representatives from both councils, affected landowners and iwi and hapū. Subsequently, the investigation process was amended to incorporate additional engagement which concluded in March 2024.

In April 2024, the Commission adopted a reorganisation plan for altering the boundary between Kawerau District and Whakatane District, to take effect on 1 September 2024. The reorganisation plan and the subsequent reorganisation implementation scheme were given effect by Orders in Council on 31 May 2024 and 31 July 2024 respectively.

## Wānaka-Upper Clutha District Constitution

In 2023, the Commission agreed that an elector-initiated reorganisation initiative seeking the constitution of a Wānaka-Upper Clutha District Council, contained the information required by Schedule 3, clause 4 of the Local Government Act and commenced consultation with the affected local authority, Queenstown-Lakes District Council about whether to undertake an investigation in respect of the initiative.

In August 2023, the Commission considered information received from Queenstown-Lakes District Council. The Commission agreed that there was insufficient information in the response to assess whether or not to investigate the reorganisation initiative and requested further information from the Wānaka-Upper Clutha Community Board, Te Rūnanga o Ngāi Tahu and Queenstown-Lakes District Council which was received between September and December 2023.

In December 2023, the Commission decided that an investigation into the separate Wānaka-Upper Clutha district proposed by the initiative was not warranted because on balance:

- The information received by the Commission does not sufficiently demonstrate that the purpose of the reorganisation is 'to promote good local government by enabling and facilitating improvements to local governance'
- There is little demonstrated potential scale and scope of improvements to local governance and services that might result from an investigation;
- There is the potential for negative effects arising from a reorganisation investigation, including costs and disruption for Queenstown-Lakes District Council and the Wānaka-Upper Clutha community;
- There does not appear to be an urgent need for a reorganisation investigation to be undertaken.

At the same meeting on 13 December 2023, and in accordance with the Commission's power to promote good practice relating to a local authority or to local government generally, under section 30(2) of the Local Government Act the Commission recommended that Queenstown-Lakes District Council develop an action plan, this was presented to the Commission on 31 May 2024 and is to be considered by the Commission in July 2024.

## Representation reviews

### Ngā arotake whai kanohitanga

Forty-one local authorities are reviewing their representation arrangements prior to the 2025 local elections. This round of representation reviews will be affected by the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Act 2024 which is yet to complete parliamentary process and reach royal assent (the Amendment Act).

Commission officials were appointed as advisors to the Justice Select Committee in order to provide timely technical advice in relation to the Amendment Act.

The Commission has been preparing for the potential impact on its workload as a result of the Amendment Act, including:

- a potential increase in the number of local authorities conducting reviews
- the addition of a second timeline for local authorities who may choose to disestablish their Māori Wards and undertake a shortened representation review
- the issuing of statements on the consistency of councils' pre-2020 representation arrangements with section 19V(2) of the Local Electoral Act 2001, taking into account 2023 population estimates
- the creation of additional guidelines for local authorities covering the Amendment Act provisions relating to disestablishing Māori wards/rescinding decisions to establish Māori wards and matters relating to the possibility of reverting to previous representation arrangements in such circumstances.

In addition to this preparation, the Commission's activities up to 30 June 2024 have been directed at supporting local authorities in preparatory activities for their representation reviews. For the most part, this has involved the provision of information and procedural guidance, such as issuing revised guidelines and explaining the options for local authorities making decisions on Māori wards and Māori constituencies under the Amendment Act.

The Commission will become involved in council representation reviews if appeals or objections are received on any of them, or if any of the proposed arrangements do not comply with the +/-10% fair representation rule in section

19V(2) of the Local Electoral Act 2001. In both cases the Commission will issue a determination for each local authority prior to 10 April 2025.

## The year ahead Te tau e tū mai

The primary focus of the Commission in 2024-2025 will be the following activities:

- Supporting councils with information as they undertake representation reviews.
- Continuing engagement with the local government sector on matters relating to good local government and representation issues.
- Dealing with any new reorganisation initiatives or requests it receives.
- Examining an action plan from Queenstown-Lakes District Council following the decision to not investigate a reorganisation into constitution of a separate Wānaka-Upper Clutha District Council.
- Considering an update on actions undertaken by Palmerston North City Council regarding the Commission's recommendations in relation to the Bunnythorpe Community Board appeal.



## Appendix 1

### Duties and functions of the Commission Ngā mahi a te Mana Kāwanatanga ā-Rohe

#### Local Government Act 2002

Under this Act the Commission has a number of responsibilities. These are:

- (a) under section 16(7), to provide advice to the Minister of Local Government when a local authority has sought a binding ruling from the Minister on significant new activities proposed by a regional council;
- (b) under section 26, to amend reorganisation plans and reorganisation implementation schemes;
- (c) under section 27, to consider and determine applications from territorial authorities wishing to be called a city council or a district council;
- (d) under section 30, to provide information about local government and to promote good practice relating to a local authority or to local government generally;
- (e) under section 31, of its own volition or at the request of the Minister of Local Government, to report on and make recommendations to the Minister and any relevant local authority, on matters relating to a local authority or local government;
- (g) under sections 48R and 48S, to determine certain disputes between the governing body of unitary authorities (outside Auckland) and local boards;
- (h) under Schedule 3, to undertake reorganisation investigations<sup>2</sup> following receipt of reorganisation initiatives<sup>3</sup> and reorganisation requests<sup>4</sup>;
- (i) under Schedule 3, clause 22B to review local authority-led reorganisation applications;
- (j) under Schedule 3, clause 31 to consider for rulings that material published by a local authority complies with clause 31(1);
- (k) under Schedule 3, clause 41 to prepare and issue reorganisation implementation schemes;

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<sup>2</sup> A reorganisation investigation can result in recommendations to a local authority, one or more reorganisation plans or both.

<sup>3</sup> A reorganisation initiative seeks a specific reorganisation, i.e. the union, constitution, and abolition of districts and regions, creation of unitary authorities, boundary alterations, and transfers of responsibility.

<sup>4</sup> A reorganisation request seeks an investigation into an issue or matter but without proposing a particular reorganisation.

- (l) under Schedule 3, clause 53, to decide the apportionment of assets and liabilities between local authorities following implementation of a reorganisation scheme, where there is disagreement;
- (m) under Schedule 6, to consider and determine appeals where a territorial authority declines a request from a group of electors for the constitution of a community.

### **Local Government Act 1974**

Section 517T of this Act provides that the Commission must hear and determine objections regarding proposals for the transfer of ownership and administration of local authority land drainage and water race schemes.

### **Local Government (Auckland Council) Act 2009**

Section 98 of this Act provides for the Commission to determine certain disputes between the Auckland Council's governing body and local boards.

### **Local Electoral Act 2001**

Under this Act the Commission has four responsibilities:

- (a) under section 19R and Schedule 1A, to consider and determine appeals and objections relating to a local authority's representation proposals for the next triennial local elections;<sup>5</sup>
- (b) under section 19V, to consider decisions of local authorities to not comply with the fair representation requirement of section 19V(2);
- (c) under sections 19JA and 19JB, to make minor alterations to the boundaries of electoral areas; and
- (d) under section 19ZI, to issue guidelines identifying factors and considerations for local authorities to take into account when undertaking their representation reviews.

### **Auckland Regional Amenities Funding Act 2008**

Section 29 of this Act provides that if the Auckland Council does not approve a levy recommended by the Auckland Regional Amenities Funding Board, and the Council and Board cannot agree on an arbitrator, the Commission must appoint an arbitrator.

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<sup>5</sup> In the case of a representation review undertaken by the Bay of Plenty Regional Council the Bay of Plenty Regional Council (Maori Constituency Empowering) Act 2001 also applies.

### **Electoral Act 1993**

Section 28 of this Act provides that the Chairperson of the Local Government Commission is to be a non-voting member of the Representation Commission.

### **Museum of Transport and Technology Act 2000**

Section 20(10) of this Act provides that where the Museum Board and the Museum's Electoral College cannot agree on an arbitrator to determine the amount of the Museum's levy, the arbitrator is to be appointed by the Local Government Commission.

### **Port Companies Act 1988**

Section 2A of this Act provides that the Commission may determine any matter where a regional council and a territorial authority are unable to reach agreement in respect of any function, power, duty, property, right or undertaking of a former harbour board transferred to them.

### **Sale and Supply of Alcohol Act 2012**

Sections 304, 337 and 363 of this Act empower the Commission to review the boundaries of licensing trust districts and wards, and of community trusts, to ensure they conform with the boundaries of meshblocks.

## Contact details

### Ngā taipitopito whakapā

#### Local Government Commission

Street address: 45 Pipitea Street, Thorndon, Wellington 6011

Postal address: PO Box 5362, Wellington 6140

Telephone number: 64 4 460 2228

Email address: [info@lgc.govt.nz](mailto:info@lgc.govt.nz)

Website: [www.lgc.govt.nz](http://www.lgc.govt.nz)

